

**MINUTES OF THE
UTAH CONSTITUTIONAL REVISION COMMISSION**
Thursday, November 12, 2009 – 9:00 a.m. – Room 450 State Capitol

Members Present:

Judge Jon M. Memmott, Chair
Mr. Roger Tew, Vice-Chair
Sen. Peter C. Knudson
Rep. Brian S. King
Rep. Ronda Rudd Menlove
Ms. Lisa Watts Baskin
Mr. Kirk Jowers
Dr. Michael Petersen
Mr. Robin L. Riggs

Members Absent:

Sen. Scott D. McCoy
Sen. John L. Valentine
Rep. Sheryl L. Allen
Mr. Byron L. Harward
Mr. John T. Nielsen

Staff Present:

Mr. Robert H. Rees, Associate General Counsel
Ms. Amanda K. Majers, Legislative Secretary

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Committee Business

Chair Memmott called the meeting to order at 9:11 a.m. Mr. Nielsen was excused from the meeting.

MOTION: Sen. Knudson moved to approve the minutes of the October 8, 2009 meeting. The motion passed unanimously.

2. Joint Resolution on Property Tax Exemption for Water Facilities

Rep. Patrick Painter distributed and discussed 2010 General Session draft legislation, "Joint Resolution on Property Tax Exemption for Water Facilities," 2010 General Session draft legislation, "Property Tax Exemption for Water Facilities," and "Water Distribution Companies." Rep. Painter explained that the proposed amendment and the accompanying draft legislation will extend the property tax exemption given to municipalities, water districts, and agricultural facilities to water infrastructure owned by private or share-owned entities that deliver water to the public. He stated that the proposed amendment and the draft legislation would clarify for the courts and for municipalities what is and is not taxable in regard to water facilities.

Sen. Knudson inquired what events caused Rep. Painter to bring this issue to the Commission at this time. Rep. Painter stated rulings from the court have indicated that secondary systems that deliver surface water through pipe systems to communities could become taxable, and he contended if the system is irrigating anything green it should be exempt.

The Commission discussed whether to reinsert the language, on line 59 of the proposed amendment, "owned by the individual or corporation, or by an individual member of the corporation" and the effect that language would have on the interpretation of the constitutional provision governing property tax exemptions.

Mr. Paul H. Ashton, attorney, spoke to the issue of reinserting the "ownership" language into the proposed amendment.

Commission discussion followed, and Rep. Painter and Mr. Ashton answered questions from the Commission.

Mr. Christopher E. Bramhall, Kirton and McConkie, spoke to the proposed amendment and answered questions from the Commission.

Mr. Allen Tippetts, Salt Lake County Assessor, spoke to the proposed amendment and answered questions from the Commission.

Mr. Craig Petersen, Summit Water District and Provo River Water Users, spoke to the proposed amendment.

The Commission recessed for approximately 20 minutes.

Chair Memmott directed the Commission to limit discussion to gaining a consensus on a concept for drafting the proposed amendment.

Ms. Watts Baskin expressed support to approve the proposed amendment in concept and then to meet again in December.

Dr. Peterson urged the Commission to have a follow-up meeting to approve the final language.

Rep. Painter stated that both pieces of draft legislation are on the agenda for the Revenue and Taxation Interim Committee for Wednesday, November 18. He stated that the Commission's endorsement can come at anytime, but he would like the recommended language to be ready for that meeting.

Mr. Rees reviewed the drafting concepts discussed by the Commission concerning 2010 General Session draft legislation, "Joint Resolution on Property Tax Exemption for Water Facilities."

Commission discussion followed.

MOTION: Mr. Riggs moved to support amendments in concept to 2010 General Session draft legislation "Joint Resolution on Property Tax Exemption for Water Facilities," as mentioned by staff, to approve final language at the next Commission meeting, and to indicate that the Commission is leaning toward approval of the proposed amendment as amended in concept. The motion passed with Ms. Watts Baskin voting in opposition. Mr. Jowers was absent for the vote.

Chair Memmott scheduled the next meeting for December 10, 2009 at 9:00 a.m.

3. Discussion: Future Study Issues

Chair Memmott stated that the Commission has two roles in advising the Legislature on constitutional changes: it rewrites constitutional articles and it provides a forum for discussion of proposed constitutional amendments. He asked commission members for their opinions as to which course the Commission should take in the future.

Mr. Riggs stated that the major revisions have been made and he does not see the need for further major article revisions. He believes the Commission is a good sounding board for proposed amendments brought to the Commission by the Legislature.

Mr. Tew said that there are a few articles that were rewritten but not passed by the Legislature, like the local government article, that the Commission could reexamine.

Sen. Knudson commented the Commission should respond to requests from the Legislature, but it does not need to search for issues to study.

Judge Memmott announced the consensus of the Commission seemed to be to continue studying issues that are brought from the Legislature not to rewrite articles.

4. Other Business / Adjourn

MOTION: Sen. Knudson moved to adjourn the meeting. The motion passed unanimously, with Mr. Jowers absent for the vote.

Chair Memmott adjourned the meeting at 11:11 a.m.